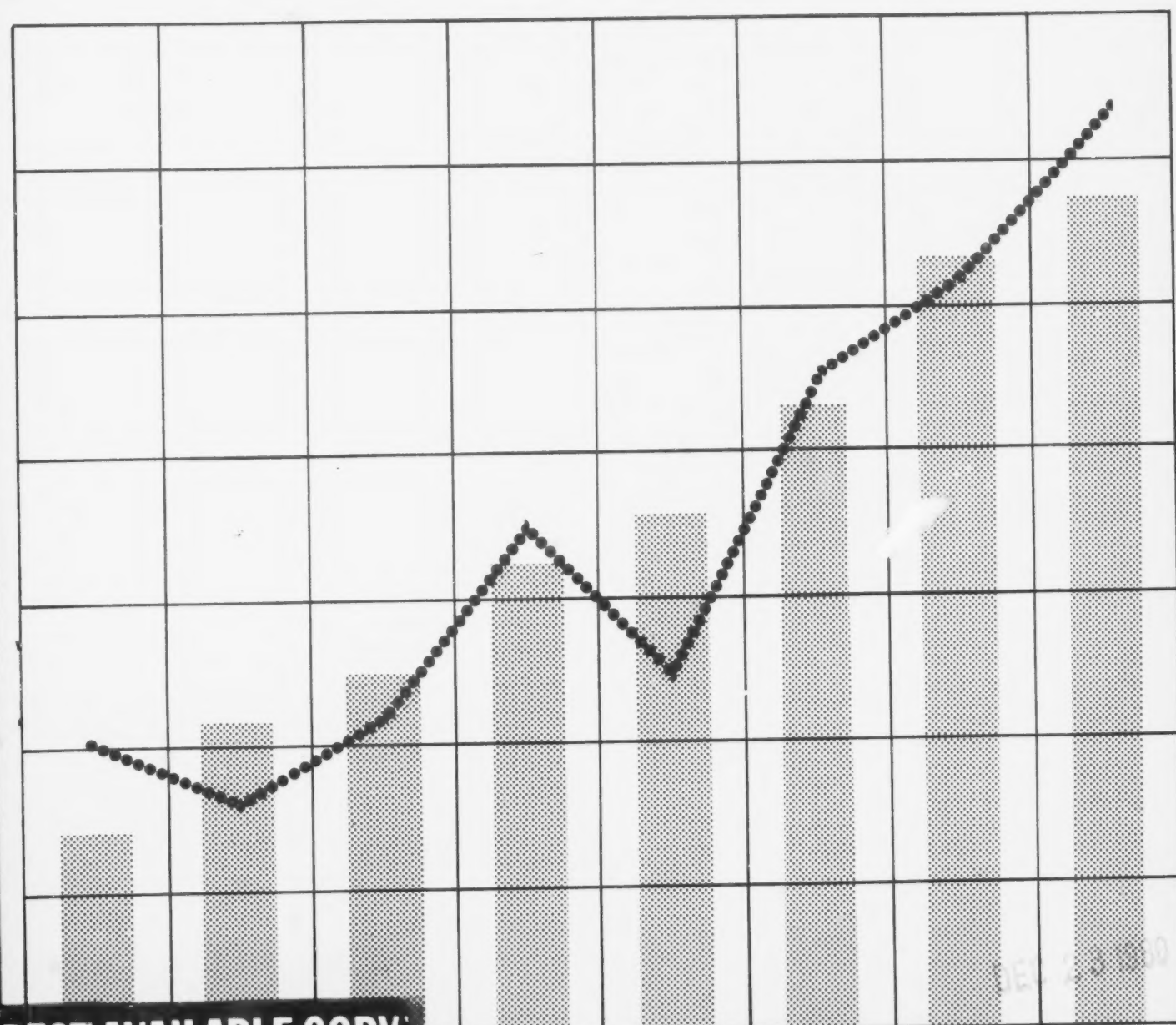


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California Economic Indicators

October - 1980



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INTRODUCTION

California Economic Indicators, patterned after the Census Bureau publication *Business Conditions Digest*, is a bi-monthly summary of economic data relating to California. In addition to basic statistical compilations, charts showing monthly and quarterly series from 1969 are included to facilitate review of current developments and appraisal of their significance on the state's economy.

The charts show the movements of various leading, roughly coincident, and other series. Reference dates for the business cycles, indicated by shaded bands, are those determined for the national economy by the National Bureau of Economic Research. These are shown at the back of the publication.

Chart data have been seasonally adjusted by the source agency or the Department of Finance.

A chronology of significant economic, political, and other events which affect the national and state economies is included. Current developments in California over the most recent months are reviewed in a brief text, and are summarized in a table of current data which includes percentage changes over the same period of the previous year. Finally, sources are cited from which further detail on the various statistical series published can be obtained. Much of the material will remain the same from month to month. However, when possible, new data and analytical measures will be incorporated.

In January 1978, the Department of Economic and Business Development was established to serve as the primary state agency for encouraging and assisting economic development and job creation efforts in California. The Department carries out a wide range of activities designed to stimulate the state's economy. These activities include: (1) assisting business in locating and expanding in California; (2) stimulating the export of California products; (3) encouraging the growth of tourism; (4) providing assistance for small business; (5) assisting local agencies in formulating economic development programs; and (6) analyzing the impact of various programs and policies that affect the economy of the State.

The Department will be making contributions to this publication and will provide additional information on economic opportunity in California on request. Correspondence should be addressed to: Department of Economic and Business Development, 1120 N Street, Sacramento, California 95814.

The Department of Finance will welcome comments and suggestions on additional series or other modifications which will make the *Indicators* a more useful publication. Correspondence should be addressed to: Department of Finance, Financial Research Section, 1025 P Street, Sacramento, California 95814.

Subscriptions to the *Indicators*: \$5 per year, beginning with the April issue. Send checks to Department of Finance, P.O. Box 151, Sacramento, California 95814.

REVIEW OF ECONOMIC DEVELOPMENTS

A wide variety of economic indicators are suggesting that the worst may be over for the California economy. While national inflation and interest rate developments will be major factors influencing any outlook, it currently appears that the rapid downward slide of the California economy has stopped and a weak recovery has begun.

Seasonally adjusted unemployment in October rose moderately to 806,000 from the 776,000 level in September. The unemployment rate, at 7.2 percent, remained 0.4 percent below the national rate. California continues to have one of the lowest unemployment rates of any of the major industrial states.

Nonagricultural wage and salary employment has been fluctuating around the 9,760,000 level for the past four months, reflecting not only recession-related developments, but also significant labor disputes. The October total, at 9,776,300, actually indicates the start of an upturn. The manufacturing, trade, transportation-utility, finance, and service sectors are now trending up after several months of pronounced weakness. November data should show a fairly sharp bounce-back when the over 40,000 motion picture and television workers who recently returned to work are again included in the data (All nonagricultural employment data, including the numbers on the California Economic Factors table, represent the Interim Benchmark Series prepared by the Employment Development Department, on a seasonally adjusted basis.^{1/} Even with this anticipated improvement, recovery to pre-recession levels will take some months to achieve. Layoffs in various industries have been substantial. Within manufacturing, for instance, major cutbacks have taken place in the motor vehicles and equipment, apparel, lumber and wood products, and primary metals sectors.

The only steady gain is occurring in the guided missile and space vehicle category. Since government funding supports this sector, business cycle effects are considered dampened.

The index of leading economic indicators lends support to the claim that the California economy is on an upturn. For two months in a row the index has risen, with the gain in July being fairly strong. An increase for three consecutive months is generally recognized as a sign that renewed expansion is underway.

Construction activity gained strength during September following months of weakness. The rise in that month can be attributed to a variety of factors, including an overall improvement in the California economy, a delayed impact from lower interest rates during July and August, and special circumstances related to financing arrangements.

Housing units authorizations rose to a seasonally adjusted annual rate (SAAR) of 207,000 units in September, or close to the

long-term average level. August authorizations, in contrast, were at only a 142,000 unit rate. Residential valuation in September totalled \$1.1 billion (SAAR), versus \$773 million in August. Much of the phenomenal residential growth was in multiple unit authorizations, and related to Federal funding. Since the Federal fiscal year ended on September 30, a strong effort was made during the month to use up existing appropriations for government supported housing. Because many private contractors applied for the building permits, the figures appeared in the private residential, rather than public housing, category.

Nonresidential activity was also strong during September. The total value of such construction during the month was \$715 million, a gain of \$227 million from the previous month. Some of the increase was attributable to a few very large office buildings being started in downtown Los Angeles.

In general, however, nonresidential construction has held up surprisingly well during 1980 given the high level of interest rates and the weakness in the economy. This seems to suggest that along with the underlying demand for such construction, many firms are using funds which were committed some time ago. If this is the case, currently rising interest rates may cause a slowdown in the commitment of new funding--foreshadowing weaker nonresidential construction growth in the future.

The California Consumer Price Index fell 0.4 percent between June and August. This relatively rare event occurred as a result of declining home mortgage rates. Although the August level was 14.3 percent higher than a year ago, it is still a significant improvement from the 17-18 percent rates during the first six months of 1980. While the slowdown in inflation provides some welcome relief, the inflation outlook is not encouraging. The current consensus among economists is that the core rate of inflation nationally is about 8 to 9 percent. It does not appear possible to reduce the rate below that level within a year, or perhaps many years.

The Department of Commerce, Bureau of Economic Analysis (BEA), released revised California personal income figures in September. While the revisions go back to 1975, major changes were only made for 1977, 1978 and 1979. The Department of Finance has available upon request a quarterly personal income series which has been rebenchmarked to the new annual data. To illustrate the extent of revision, personal income in 1979 was previously estimated at \$227,351 million. The latest data places the total at \$228,017 million, representing a gain of 14.8 percent from 1978. Quarterly estimates through the third quarter of 1980, shown in this Indicators, have also been adjusted to the latest benchmark.

^{1/}Nonagricultural employment for the months April through September 1980 have been revised by the California Employment Development Department.

CURRENT DATA ON CALIFORNIA ECONOMIC FACTORS
(Not Adjusted for Seasonal Variation, Unless Otherwise Noted)

(Not Adjusted for Seasonal Variation, Unless Otherwise Noted)							
	1980				1979		Percent Change
	September	August	July	June	September	August	Sept. 1979- Sept. 1980
<u>Employment^{a/}</u>							
Civilian employment (000) - - - - -	10,441	10,544	10,463	10,348	10,375	10,425	0.6
Unemployment (000) - - - - -	776	827	754	812	706	701	9.9
Unemployment rate - - - - -	6.9	7.3	6.7	7.3	6.4	6.3	--
<u>Nonagricultural wage and salary employment (000)- - - - -</u>							
Mining - - - - -	42.1	43.0	42.9	43.1	37.2	37.2	13.2
Construction - - - - -	419.5	417.4	386.0	429.2	431.0	430.0	-2.7
Manufacturing - - - - -	1,969.4	1,973.8	1,977.4	1,988.2	1,902.1	1,894.5	3.5
Aerospace ^{c/} - - - - -	619.8	621.3	619.6	617.8	594.0	590.4	
Transportation--communications public utilities - - - - -	541.0	543.2	541.4	539.3	511.7	508.5	5.7
Trade - - - - -	2,272.5	2,270.0	2,266.3	2,257.0	2,150.3	2,142.9	5.7
Finance--insurance--real estate - - -	623.5	621.2	619.9	619.8	563.1	559.3	10.7
Services - - - - -	2,119.6	2,121.3	2,157.0	2,162.0	1,968.1	1,952.0	7.7
Government - - - - -	1,770.9	1,779.3	1,754.5	1,773.4	1,707.2	1,684.9	3.7
Federal - - - - -	320.3	318.4	319.8	324.1	320.7	321.4	-0.1
State and local - - - - -	1,450.6	1,460.9	1,434.7	1,449.3	1,386.5	1,363.5	4.6
<u>Hours and Earnings, Manufacturing</u>							
Average weekly hours - - - - -	39.7	39.5	39.0	39.3	40.0	40.1	-0.8
Average weekly earnings - - - - -	\$314.42	\$310.08	\$303.03	\$301.43	\$287.20	\$285.51	9.5
Average hourly earnings - - - - -	\$7.92	\$7.85	\$7.77	\$7.67	\$7.18	\$7.12	10.3
Index of Leading Indicators - - - - -	n.a.	125.0	122.0	120.2	130.6	129.8	--
<u>Trade</u>							
Retail sales (millions) - - - - -	n.a.	9,099 p	8,818	8,618	8,316	8,767	--
New auto registrations (number) - - - -	n.a.	69,375	78,245	70,635	83,109	94,202	--
<u>Business</u>							
Business failures (number) - - - - -	n.a.	177	127	184	85	82	--
Business liabilities (000) - - - - -	n.a.	\$39,947	\$36,508	\$15,126	\$15,708	\$17,441	--
New incorporations (number) - - - - -	n.a.	n.a.	5,261	4,193	4,444	5,401	--
<u>Consumer Price Index, all items^{d/}</u>							
California average (1967=100) - - - - -	--	250.7	--	251.8	--	219.8	--
San Francisco (1967=100) - - - - -	--	251.0	--	248.0	--	218.3	--
Los Angeles (1967=100) - - - - -	249.6	247.3	248.7	250.1	220.7	217.5	13.1
San Diego (1967=100) - - - - -	271.8	--	269.9	--	240.4	--	13.1
<u>Output</u>							
Petroleum production (000 barrels daily)	981.1	980.4	963.4	961.9	958.2	964.9	--
Cement production (000 short tons)- - - -	n.a.	724.7	682.7	763.3	785.5	928.4	--
Raw steel production (000 net tons) - - -	191.3	176.0	181.6	203.8	311.9	322.5	--
Lumber shipments (mil. FBM) - - - - -	n.a.	75.3	73.0	70.7	80.5	85.8	--
<u>Construction</u>							
Private residential housing units authorized (number) - - - - -	15,604	13,069	13,986	10,842	16,802	20,636	-7.1
Nonresidential building authorized, valuation (000) - - - - -	\$664,823	\$539,301	\$673,458	\$589,088	\$695,813	\$645,759	-4.5

^{a/}Adjusted for seasonal variation.

^{b/}Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.

^{c/}Interim series does not give a detailed breakdown of manufacturing for aerospace employment. This value is from the EDD official employment series.

^{d/}All urban series.

P Preliminary estimate.

n.a. Not available

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ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data for most series are plotted monthly. Quarterly series are identified following the series title on the chart.

The Arabic numeral in the right hand corner of each graph indicates the latest month for which the data are plotted (e.g.: 7 = July).

Roman numerals indicate the latest quarter for which data are plotted (III = third quarter).

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable Sales

Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

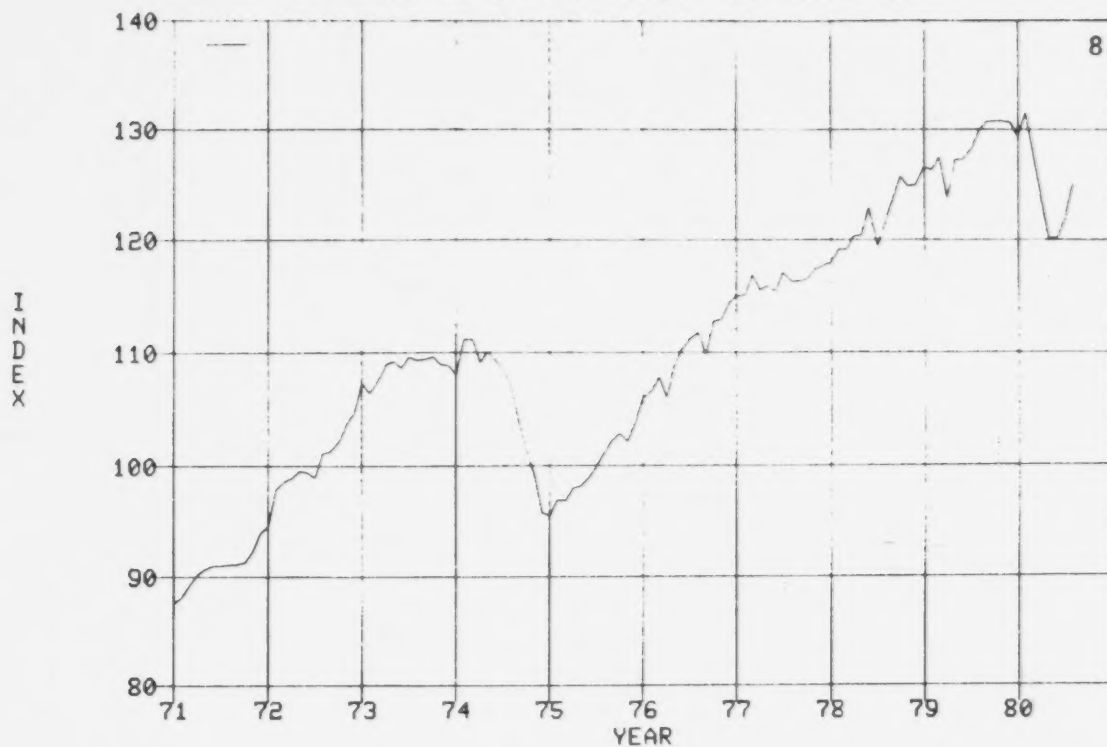
The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

Standard Abbreviations

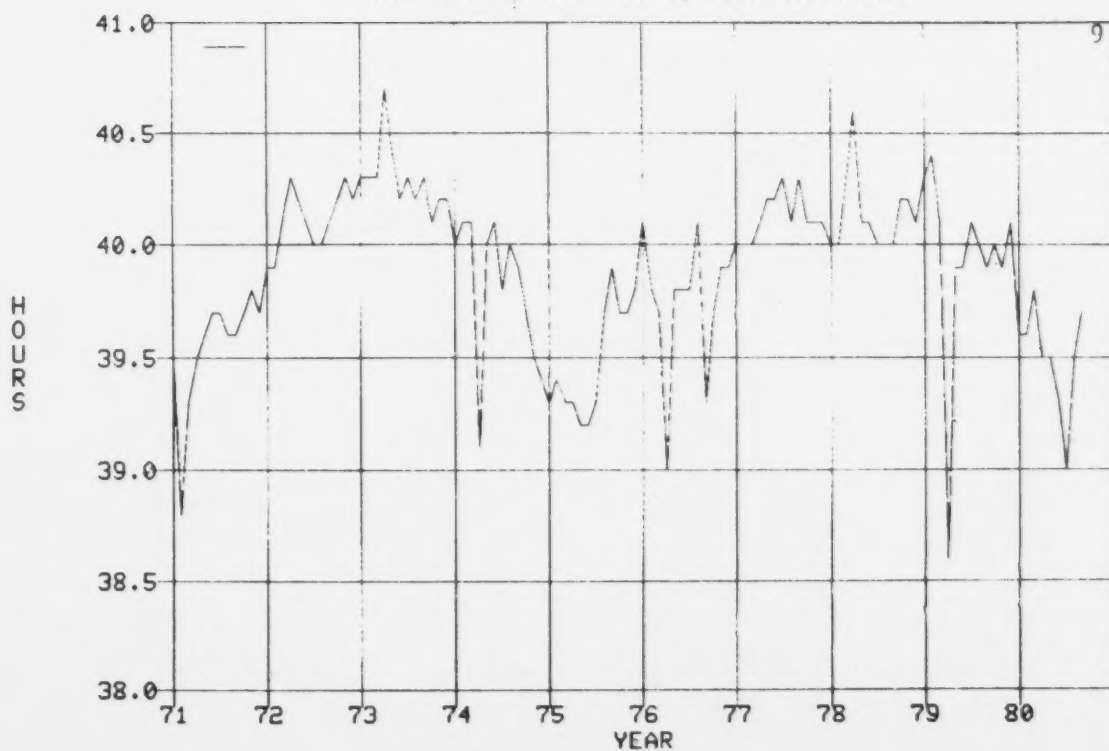
n.a.	Not available	p	Preliminary
e	Estimate	r	Revised

LEADING INDICATORS

INDEX OF LEADING INDICATORS (1972=100)



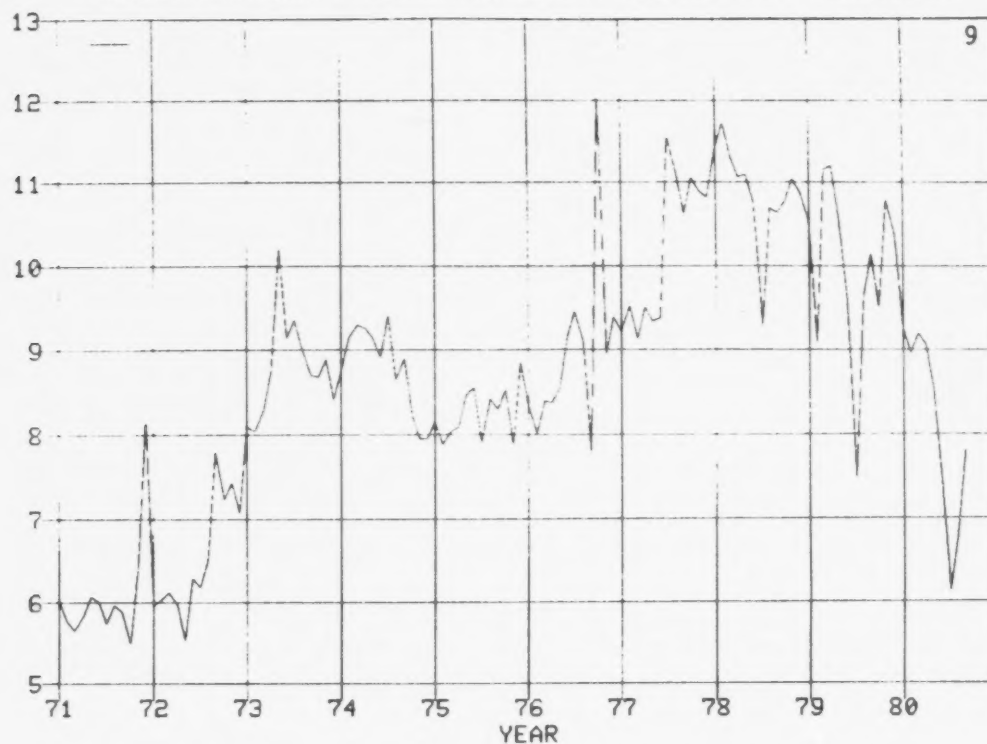
AVERAGE WEEKLY HOURS, MANUFACTURING



LEADING INDICATORS

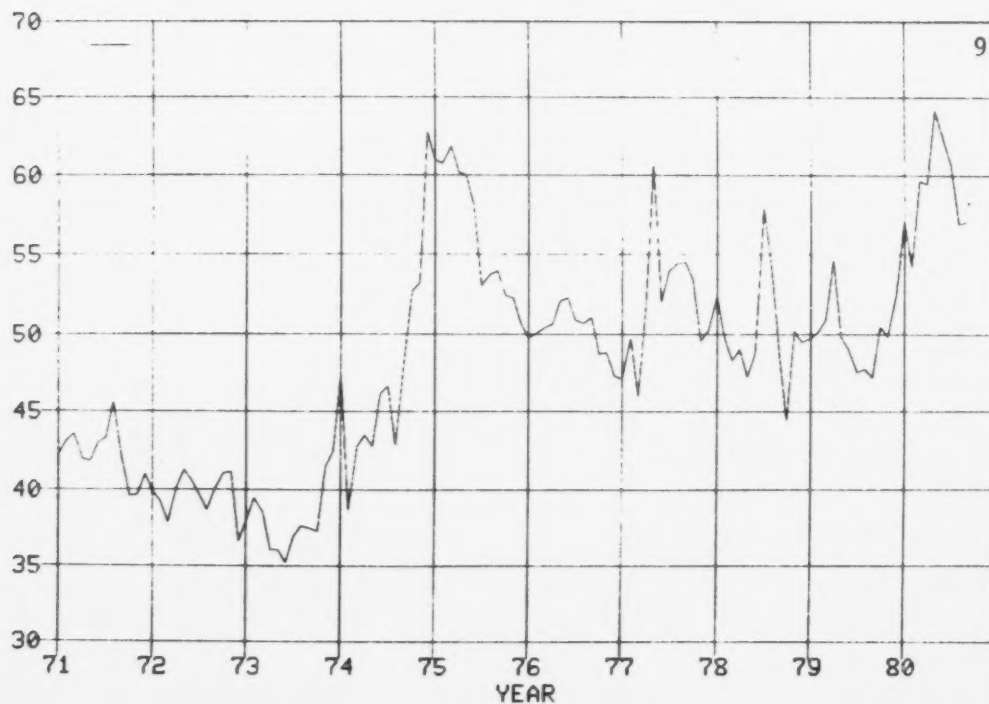
NONAGRICULTURAL PLACEMENTS, WEEKLY AVERAGE (IN THOUSANDS)

PLACEMENTS



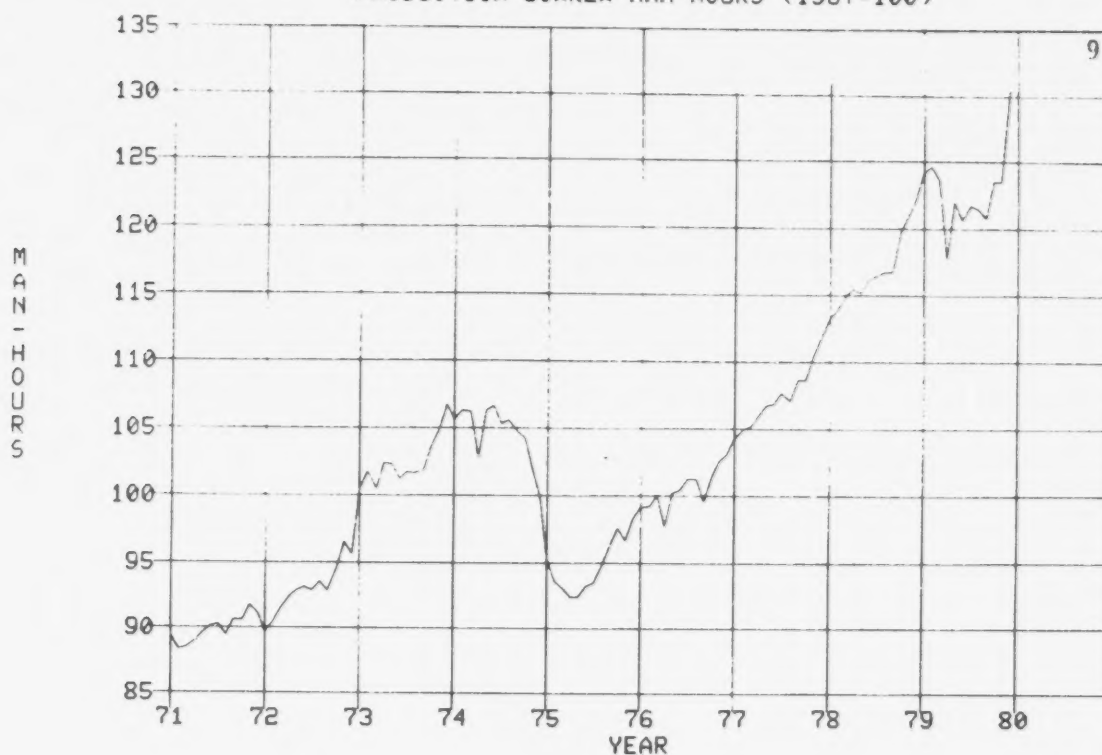
INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE, WEEKLY AVERAGE (IN THOUSANDS)

CLAIMS

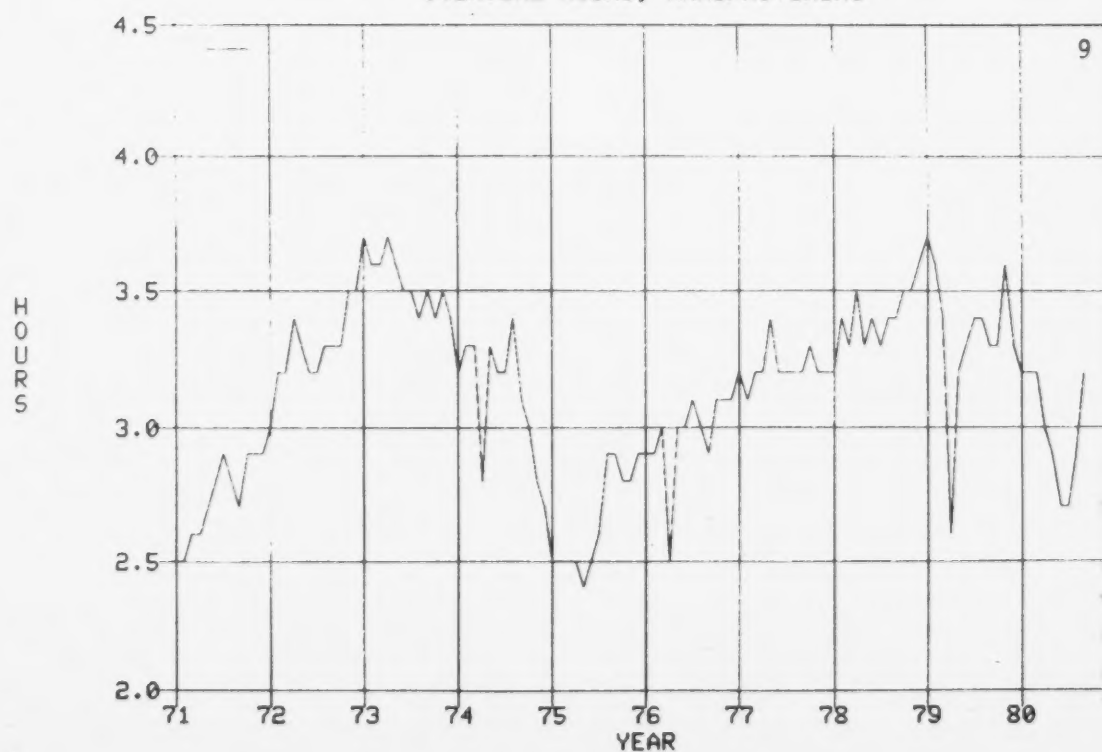


LEADING INDICATORS

PRODUCTION WORKER MAN-HOURS (1967=100)

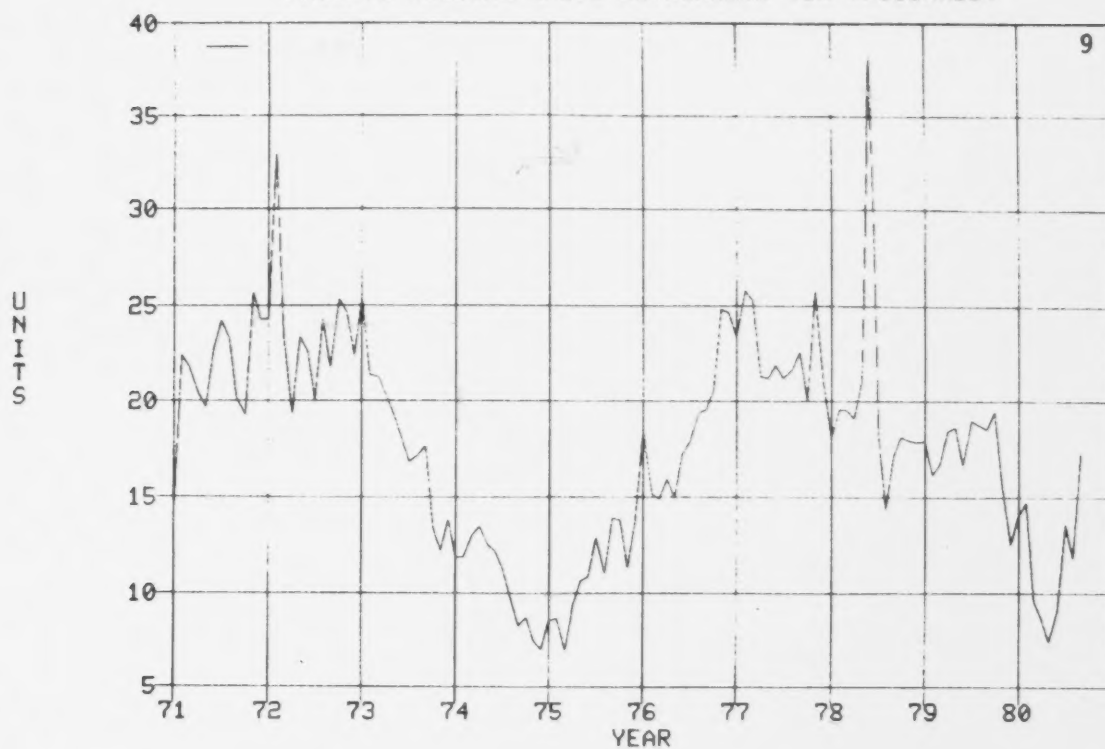


OVERTIME HOURS, MANUFACTURING

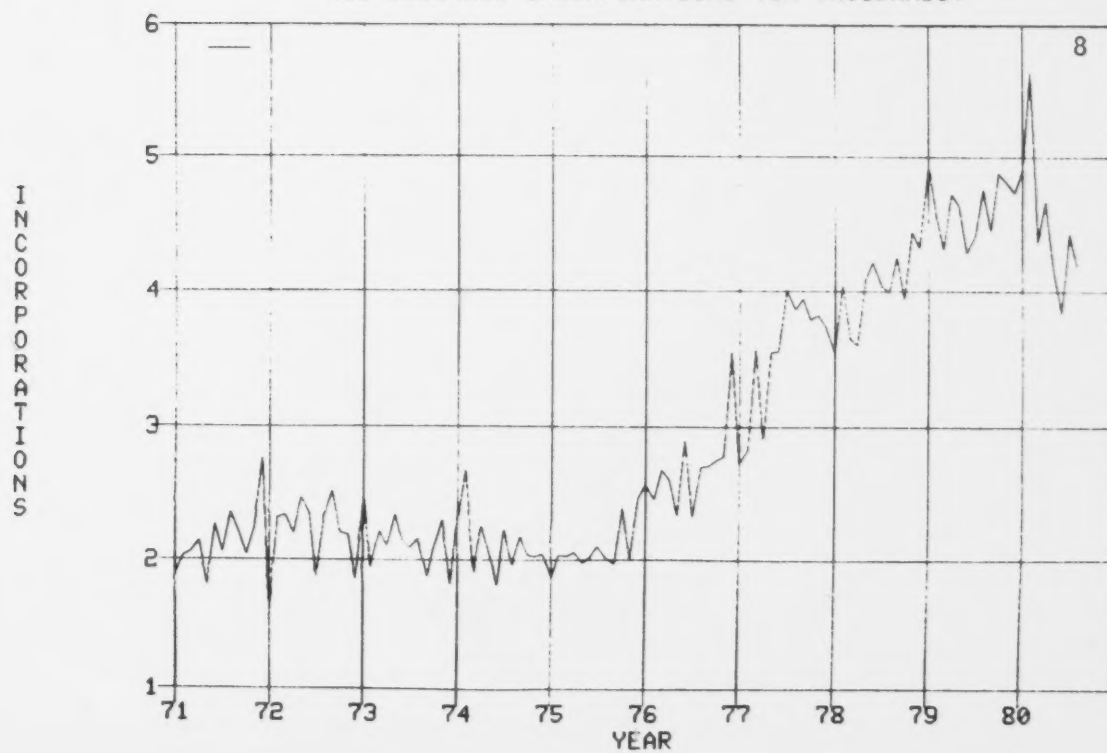


LEADING INDICATORS

PRIVATE HOUSING UNITS AUTHORIZED (IN THOUSANDS)

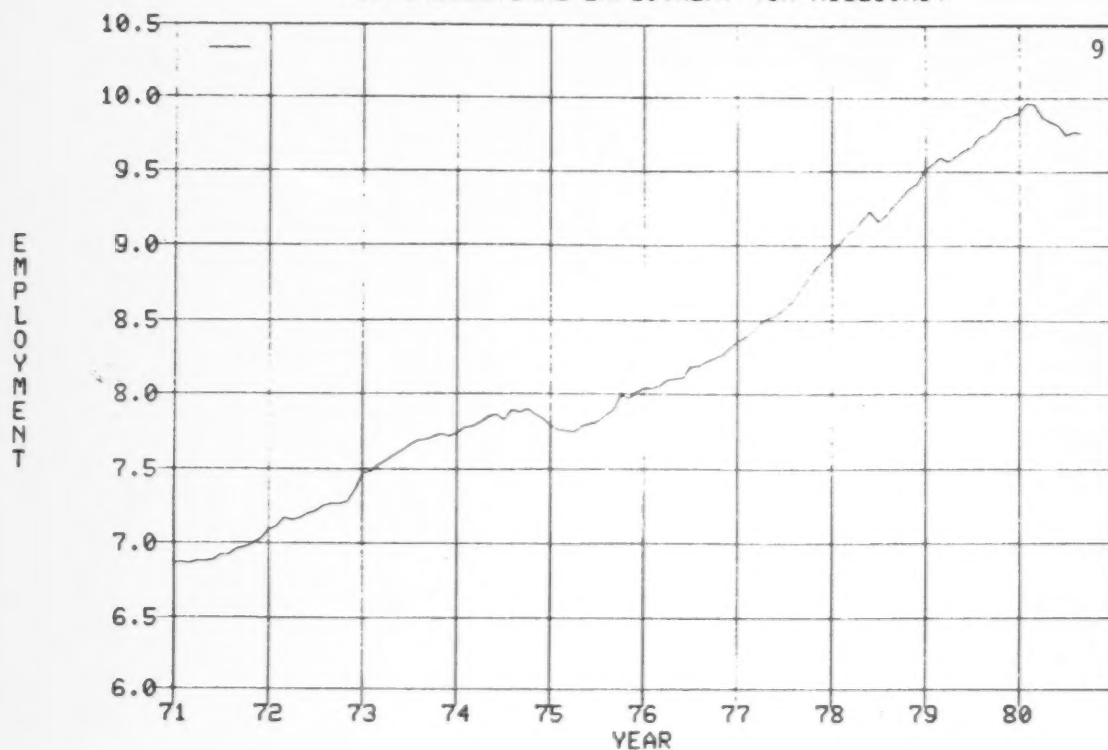


NEW BUSINESS INCORPORATIONS (IN THOUSANDS)

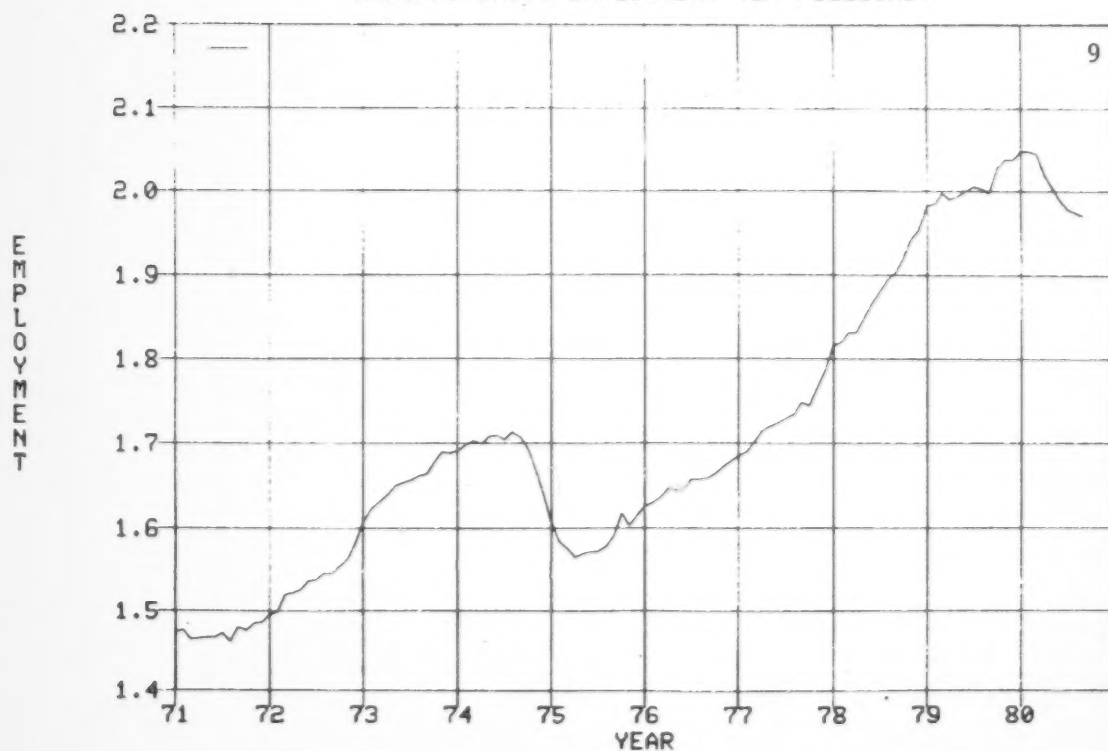


LEADING INDICATORS

NONAGRICULTURAL EMPLOYMENT (IN MILLIONS)

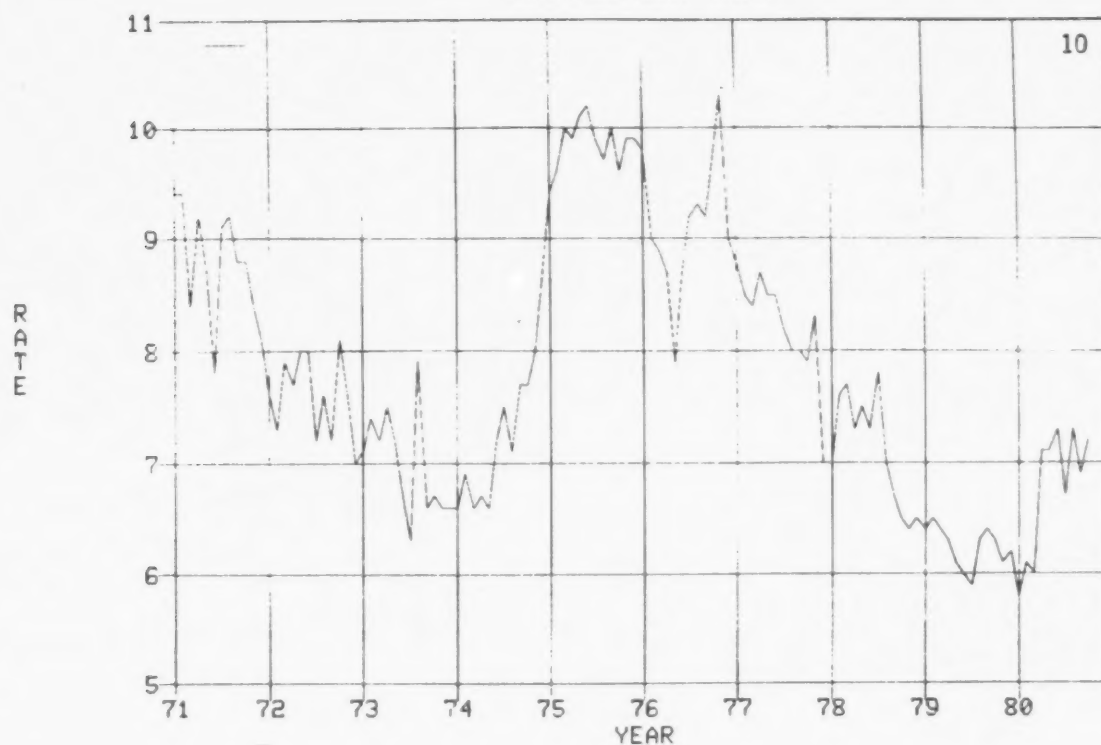


MANUFACTURING EMPLOYMENT (IN MILLIONS)

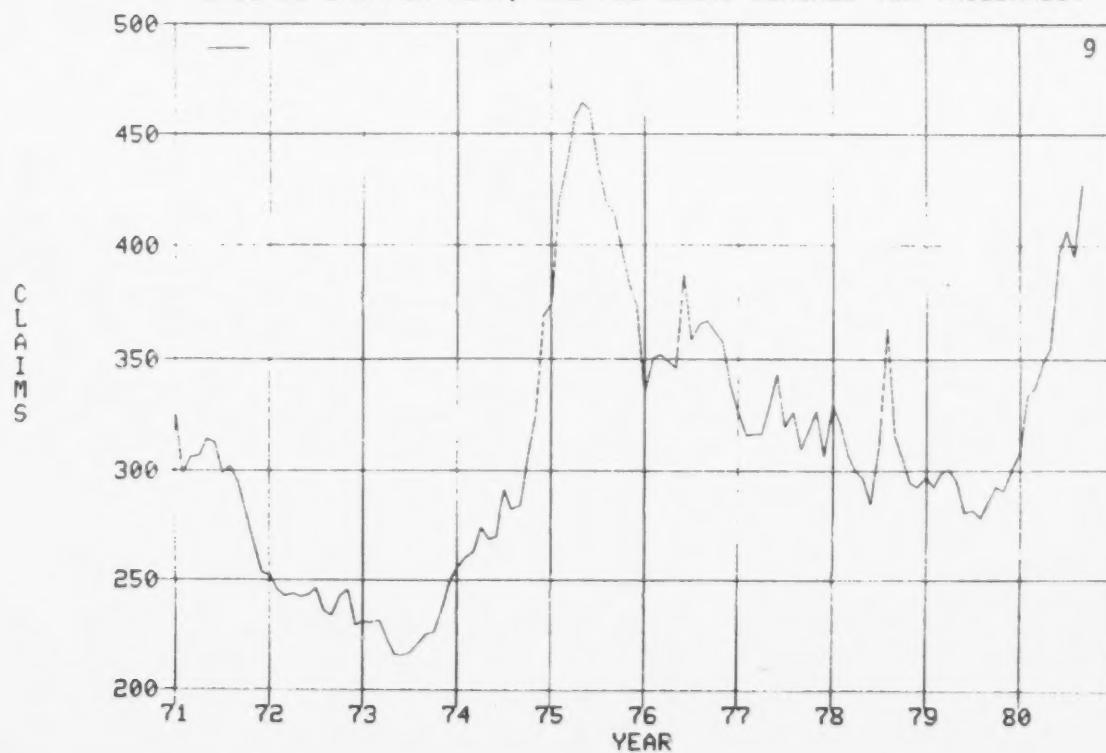


LEADING INDICATORS

UNEMPLOYMENT RATE

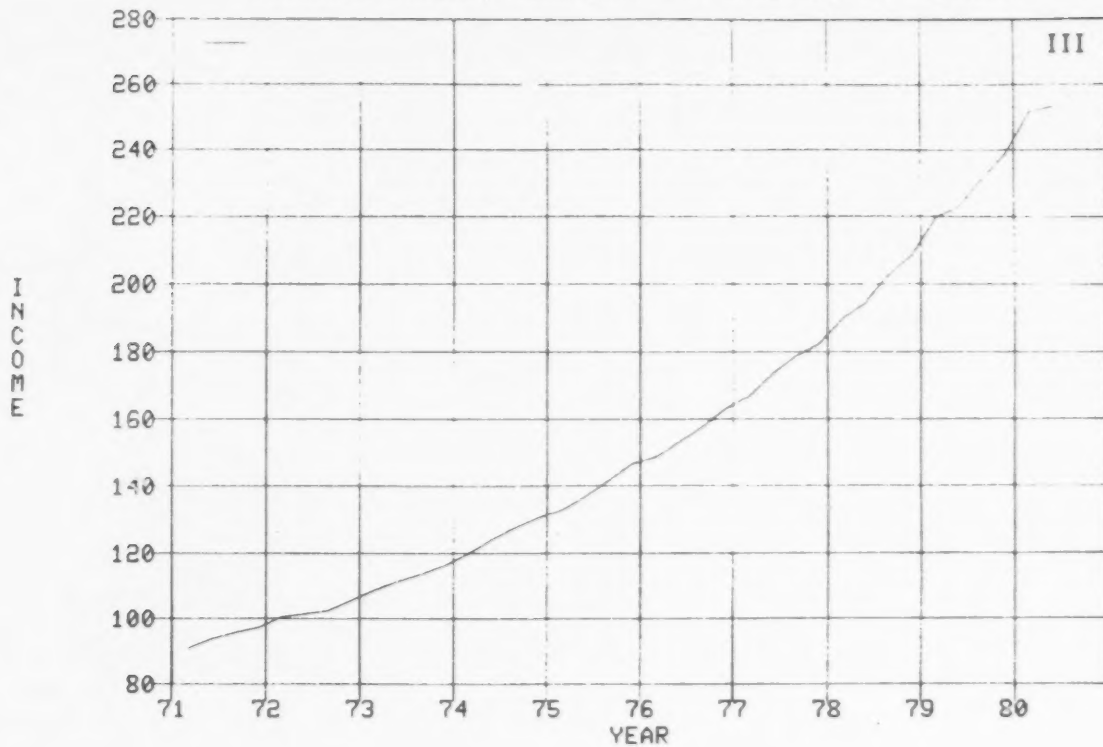


INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED (IN THOUSANDS)

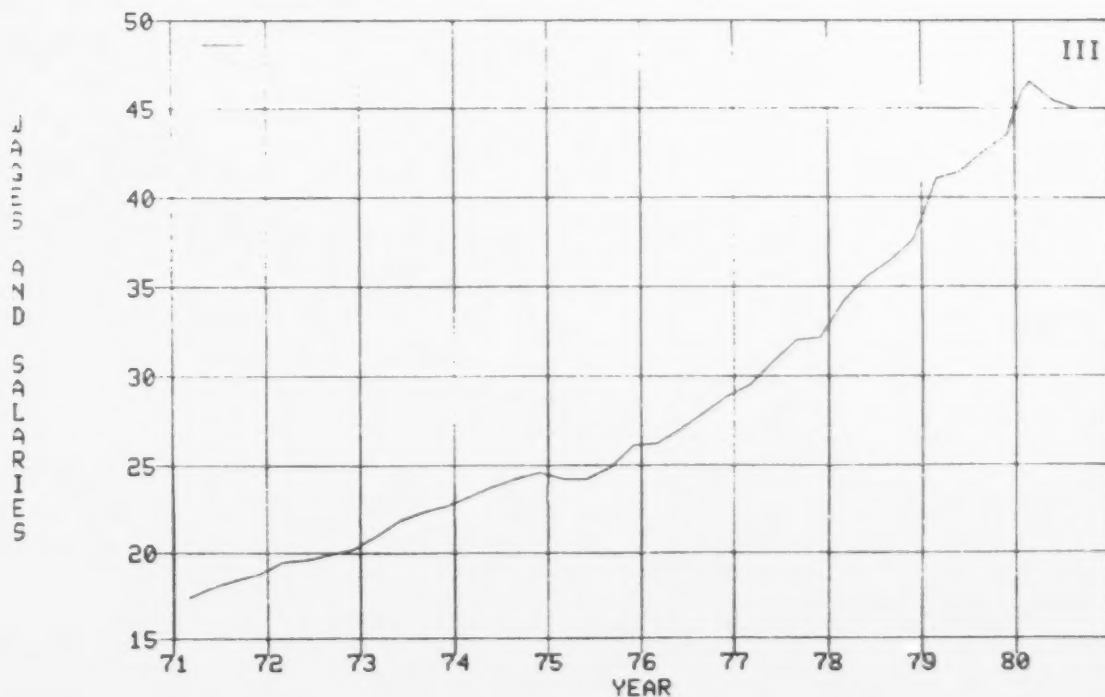


LEADING INDICATORS

PERSONAL INCOME, QUARTERLY (IN BILLIONS OF DOLLARS)

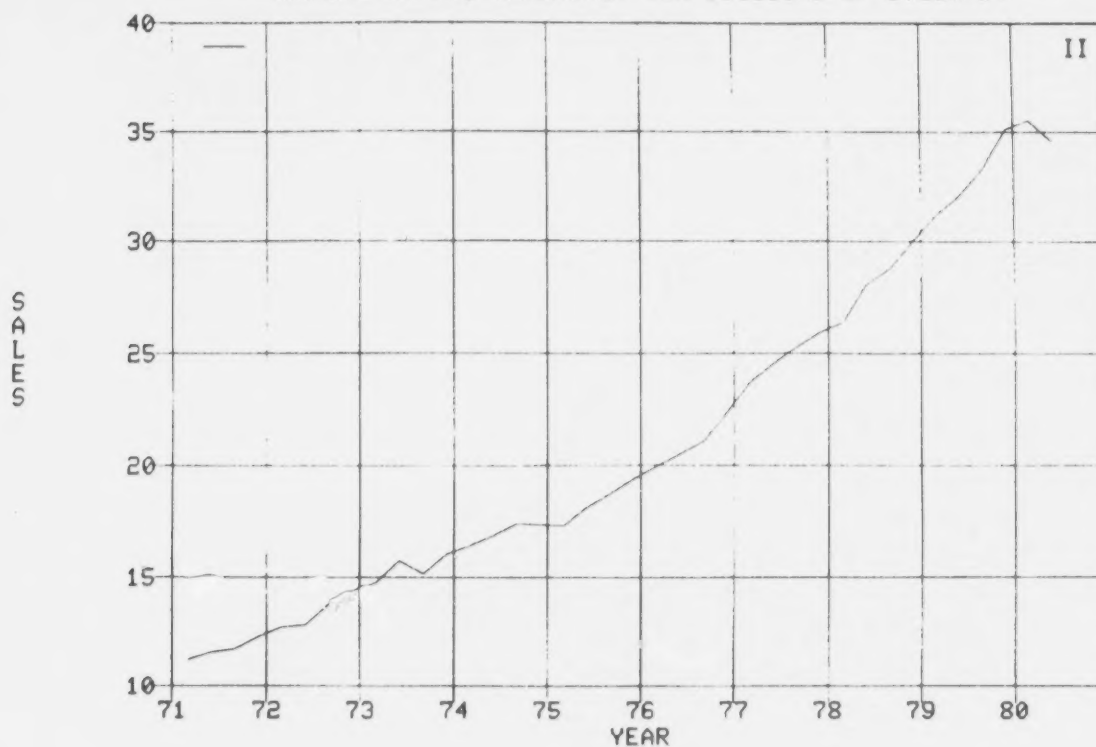


WAGES AND SALARIES FROM MINING, MANUFACTURING, AND CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)

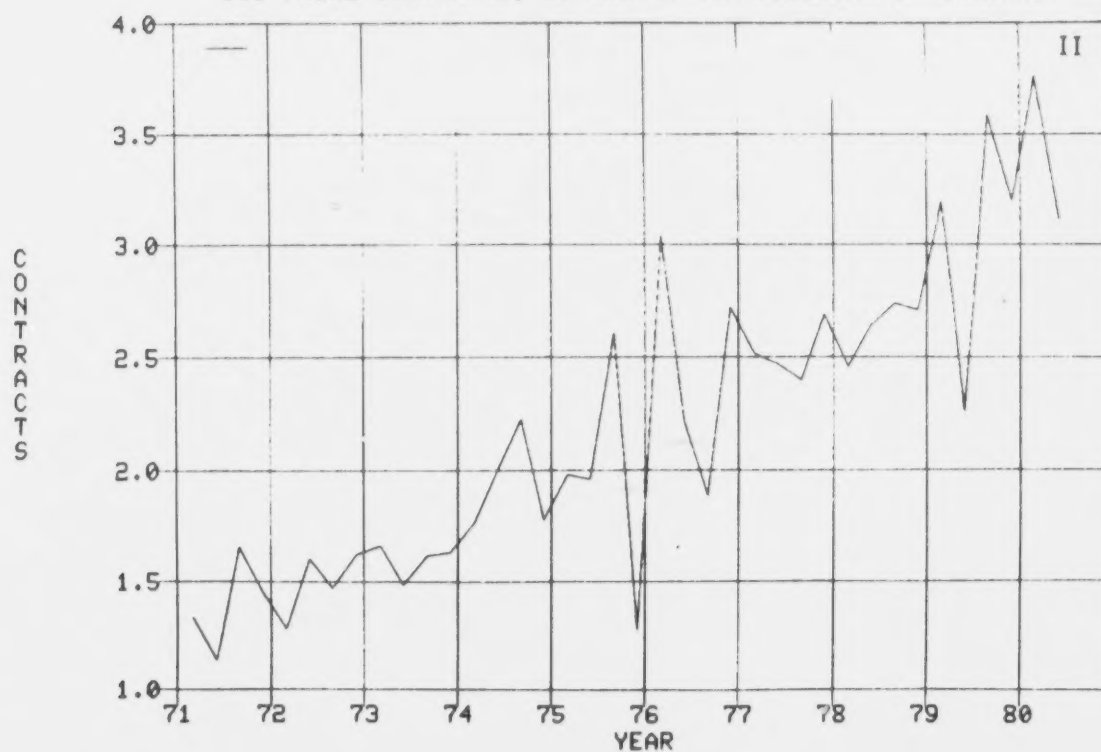


LEADING INDICATORS

TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)

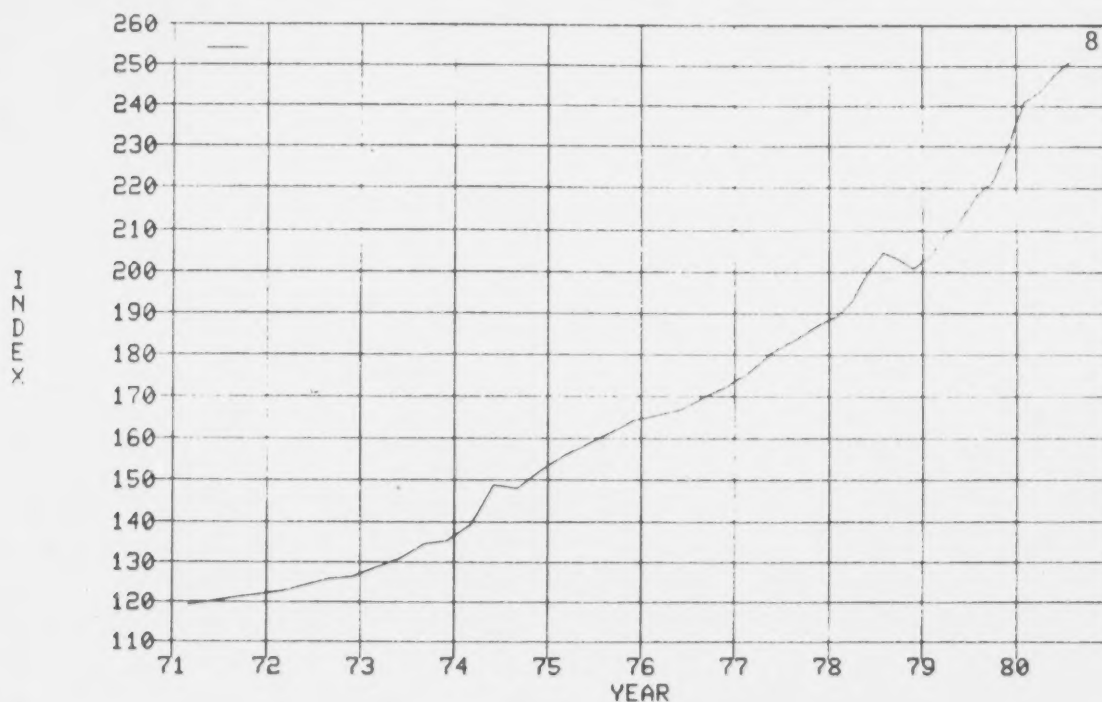


DOD PRIME CONTRACTS, QUARTERLY (IN BILLIONS OF DOLLARS)

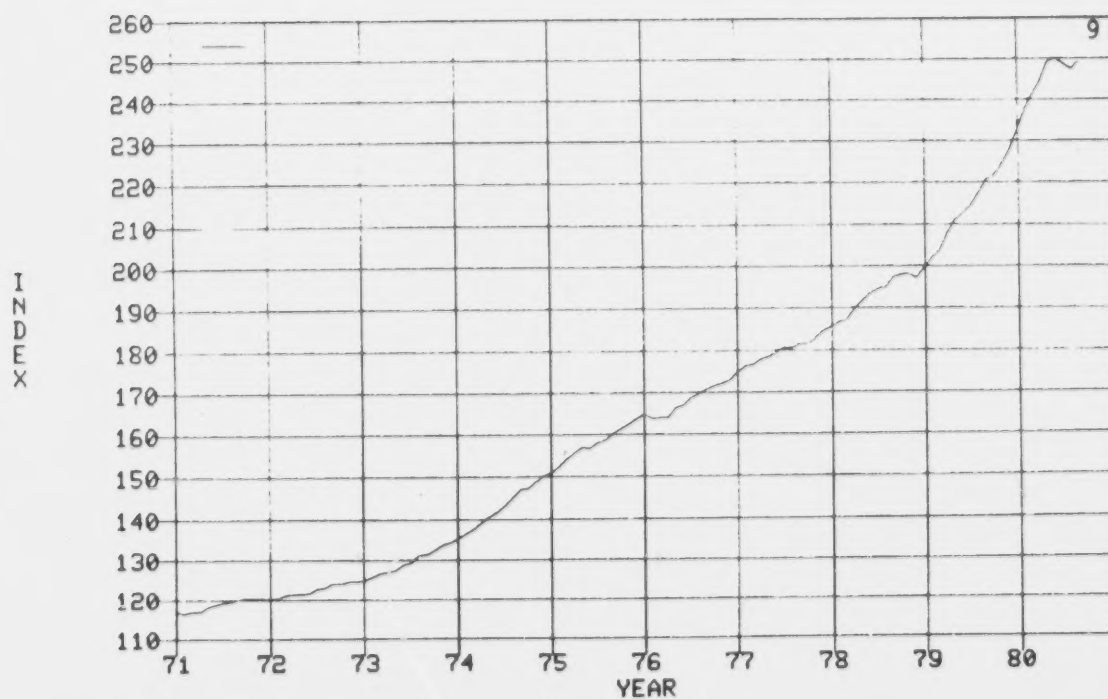


LEADING INDICATORS

CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)

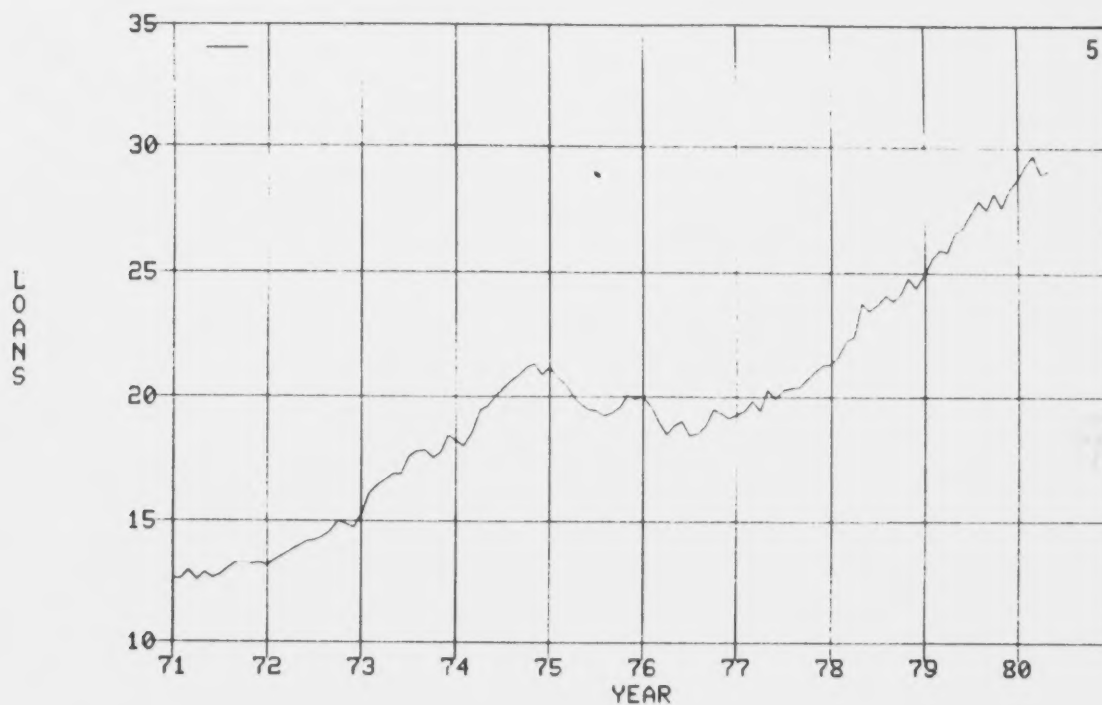


CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)

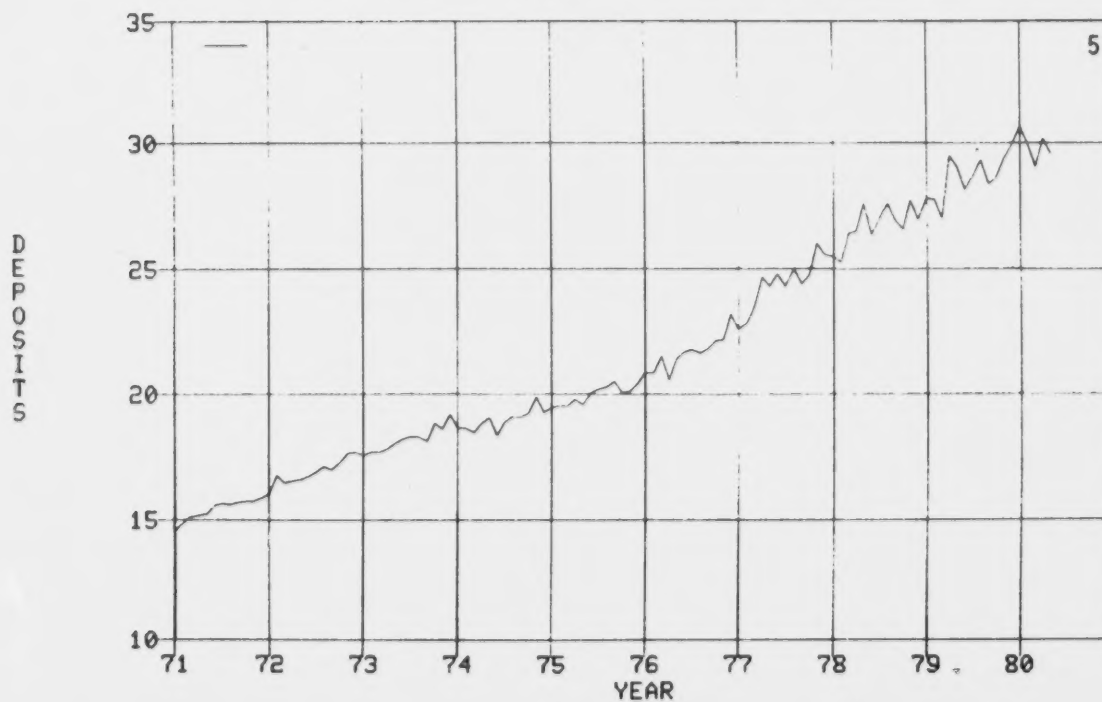


LEADING INDICATORS

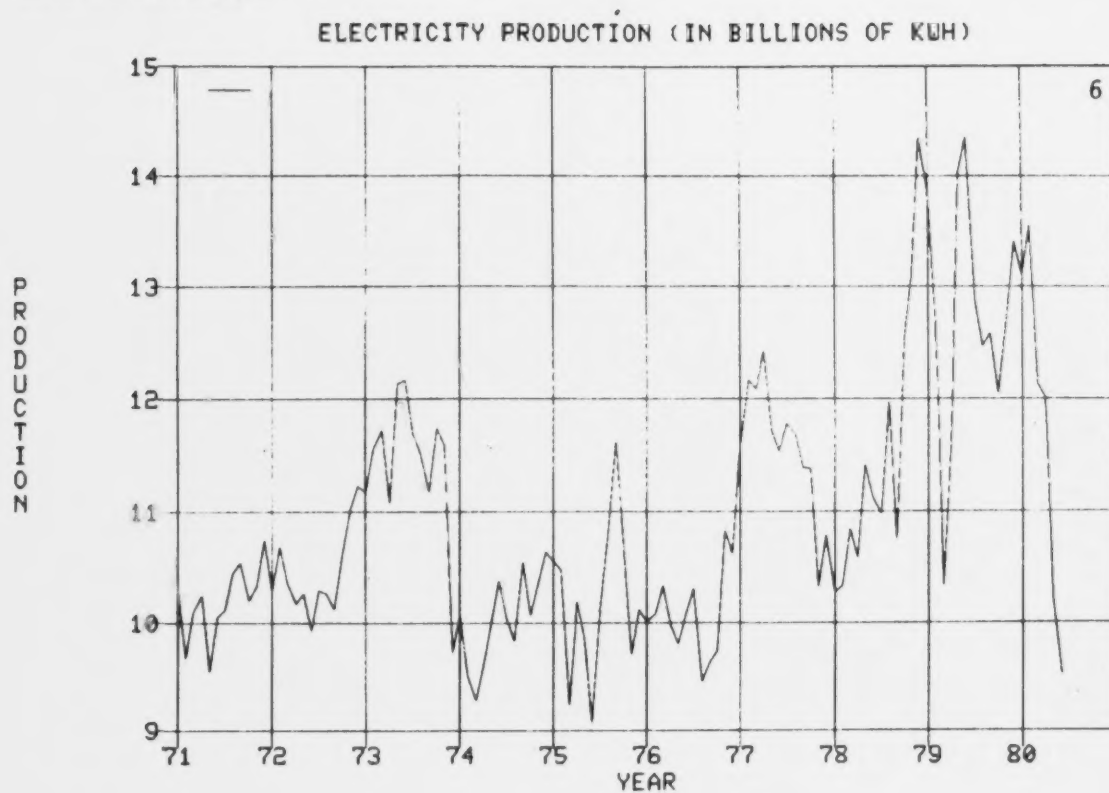
CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)



LEADING INDICATORS



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Leading Indicators

Year and Month	Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufacturing	Nonagricultural Placements Weekly Avg. (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Production Worker Man-Hours (1967=100)	Overtime Hours Manufacturing	Private Housing Units Authorized	New Business Incorporations
<u>1977</u>								
January	115.0	40.0	9.2	47.1	104.2	3.2	23,408	2,734
February	115.2	40.0	9.5	49.7	104.9	3.1	25,768	2,825
March	116.9	40.0	9.1	46.0	105.1	3.2	25,291	3,567
April	115.5	40.1	9.5	51.9	105.9	3.2	21,301	2,882
May	115.9	40.2	9.3	60.6	106.7	3.4	21,164	3,547
June	115.4	40.2	9.4	52.0	106.8	3.2	21,890	3,558
July	117.1	40.3	11.6	53.9	107.6	3.2	21,213	4,008
August	116.3	40.1	11.1	54.5	107.1	3.2	21,634	3,864
September	116.3	40.3	10.6	54.6	108.6	3.2	22,540	3,949
October	116.5	40.1	11.1	53.4	108.6	3.3	20,021	3,795
November	117.4	40.1	10.9	49.5	110.4	3.2	25,716	3,826
December	117.7	40.1	10.8	50.2	111.8	3.2	21,168	3,731
<u>1978</u>								
January	118.0	40.0	11.4	52.4	113.2	3.2	18,092	3,556
February	119.1	40.0	11.7	49.7	114.0	3.4	19,517	4,043
March	119.1	40.3	11.3	48.3	114.9	3.3	19,560	3,652
April	120.3	40.6	11.1	49.0	115.5	3.5	19,068	3,601
May	120.4	40.1	11.1	47.3	115.2	3.3	21,075	4,086
June	122.8	40.1	10.8	48.7	116.2	3.4	38,341	4,217
July	119.4	40.0	9.3	57.9	116.5	3.3	18,361	4,046
August	121.7	40.0	10.7	54.2	116.7	3.4	14,352	3,996
September	123.6	40.0	10.6	48.9	116.7	3.4	17,117	4,252
October	125.7	40.2	10.8	44.4	119.6	3.5	18,127	3,942
November	124.8	40.2	11.0	50.2	120.8	3.5	17,973	4,440
December	124.9	40.1	10.9	49.5	122.0	3.6	17,851	4,328
<u>1979</u>								
January	126.5	40.3	10.5	49.7	124.1	3.7	17,887	4,934
February	126.3	40.4	9.1	50.1	124.6	3.6	16,146	4,570
March	127.4	40.1	11.2	50.9	123.6	3.4	16,714	4,315
April	123.7	38.6	11.2	54.7	117.8	2.6	18,389	4,724
May	127.1	39.9	10.5	49.9	121.9	3.2	18,629	4,632
June	127.2	39.9	9.6	49.0	120.6	3.3	16,662	4,289
July	128.1	40.1	7.5	47.5	121.7	3.4	18,961	4,420
August	129.8	40.0	9.6	47.8	121.4	3.4	18,772	4,754
September	130.6	39.9	10.2	47.2	120.8	3.3	18,534	4,445
October	130.7	40.0	9.5	50.5	123.5	3.3	19,435	4,876
November	130.7	39.9	10.8	49.8	123.5	3.6	15,543	4,813
December	130.6	40.1	10.4	52.5	130.5	3.3	12,756	4,730
<u>1980</u>								
January	129.4	39.6	9.3	57.1		3.2	14,049	4,901
February	131.5	39.6	9.0	54.3		3.2	14,717	5,645
March	127.8	39.8	9.2	59.6		3.2	9,599	4,366
April	123.9	39.5	9.1	59.4		3.0	8,633	4,665
May	120.1	39.5	8.5	64.2		2.9	7,371	4,179
June	120.2	39.3	7.3	62.3		2.7	9,073	3,840
July	122.0	39.2	6.1	60.6		2.7	13,592	4,432
August	125.0	39.5	6.8	56.9		2.9	11,827	4,181
September		39.6	7.8	57.1		3.1	17,261	

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators					Other Indicators	
	Nonagri- cultural Employment ^{r/} (thousands)	Wages and Salaries in Mining, Manu- facturing and Construction (mil dol.) a/	Unemploy- ment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.) a/	Taxable Sales (mil dol.) b/	Manufac- turing Employment ^{r/} (thousands)
<u>1977</u>							
January	8,349.2		8.8	327			1,684.3
February	8,389.9	29,555	8.5	316	166,067	23,693	1,689.7
March	8,434.5		8.4	316			1,700.7
April	8,484.9		8.7	316			1,713.6
May	8,509.2	30,505	8.5	328	171,635	24,523	1,719.5
June	8,535.4		8.5	343			1,722.9
July	8,581.4		8.2	320			1,723.5
August	8,629.7	31,773	8.0	326	177,394	25,280	1,733.8
September	8,707.8		8.0	310			1,748.6
October	8,775.7		7.9	318			1,743.9
November	8,845.4	32,580	8.3	326	183,075	25,945	1,765.4
December	8,902.8		7.0	307			1,784.0
<u>1978</u>							
January	8,957.8		7.0	329			1,815.3
February	9,019.2	34,237	7.6	321	189,778	26,395	1,819.8
March	9,085.3		7.7	307			1,830.6
April	9,109.7		7.3	300			1,831.4
May	9,173.3	35,521	7.5	296	194,725	28,084	1,847.7
June	9,231.4		7.3	285			1,865.4
July	9,162.6		7.8	312			1,880.9
August	9,209.3	36,252	7.0	364	201,578	28,803	1,894.5
September	9,270.7		6.7	316			1,902.1
October	9,320.8		6.5	306			1,919.3
November	9,380.6	37,945	6.4	295	208,298	29,984	1,941.6
December	9,412.5		6.5	292			1,951.2
<u>1979</u>							
January	9,508.8		6.4	297			1,982.0
February	9,549.0	40,513	6.5	293	218,056	31,158	1,984.4
March	9,593.2		6.4	299			1,997.8
April	9,565.8		6.3	300			1,990.0
May	9,602.7	41,817	6.1	295	222,834	31,999	1,994.0
June	9,634.1		6.0	281			1,998.4
July	9,668.5		5.9	282			2,004.5
August	9,732.7	42,543	6.3	278	230,967	33,275	2,002.1
September	9,755.3		6.4	285			1,997.1
October	9,801.2		6.3	292			2,027.0
November	9,863.0	43,860	6.1	291	240,209	35,067	2,037.8
December	9,878.4		6.2	300			2,037.7
<u>1980</u>							
January	9,900.5		5.8	308			2,047.4
February	9,964.4	45,943	6.1	334	249,058	35,507	2,048.1
March	9,957.2		6.0	337			2,045.6
April	9,869.4 ^{r/}		7.1	348			2,020.6 ^{r/}
May	9,838.8 ^{r/}	46,034	7.1	355	252,839	34,537	2,005.3 ^{r/}
June	9,812.0 ^{r/}		7.3	397			1,988.2 ^{r/}
July	9,745.4 ^{r/}		6.7	406			1,977.4 ^{r/}
August	9,769.2 ^{r/}	45,000 ^{r/}	7.3	395	258,109		1,973.8 ^{r/}
September	9,758.5 ^{r/}		6.9	427			1,969.4 ^{r/}
October			7.2				

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Other Indicators										
Consumer Price Index (1967=100)c/										
Year and Month	DOD Prime Contracts (mil dol.)b/	San Francisco			Los Angeles			California Commercial and Industrial Loans (mil dol.)	California Demand Deposits Adjusted (mil dol.)	Electricity Production (mil KWH)
		Wage Earner and Clerical Worker		All Urban	Wage Earner and Clerical Worker		All Urban			
		Old Series	New Series		Old Series	New Series				
1977										
January		--			174.8			19,252	22,592	11,558
February	2,512	--			176.3			19,436	22,786	12,163
March		176.0			176.7			19,847	23,502	12,087
April		--			177.9			19,420	24,626	12,440
May	2,470	--			178.5			20,286	24,269	11,712
June		180.7			179.5			19,934	24,757	11,528
July		--			180.4			20,273	20,309	11,779
August	2,398	--			180.6			20,359	25,006	11,674
September		184.0			181.6			20,397	24,368	11,382
October		--			181.6			20,727	24,722	11,374
November	2,688	--			182.9			21,000	25,984	10,332
December		187.3			184.4			21,253	25,566	10,786
1978										
January		--	--	--	185.4	185.6	185.5	21,329	25,478	10,280
February	2,458	--	189.5	189.2	185.8	186.8	186.5	21,654	25,240	10,338
March		191.0	--	--	186.9	187.1	187.4	22,265	26,367	10,843
April		--	192.4	192.8	188.9	188.9	189.6	22,395	26,480	10,591
May	2,642	--	--	--	190.9	191.2	191.5	23,779	27,587	11,411
June		196.8	198.7	199.3	193.1	193.0	193.4	23,457	26,345	11,127
July		--	--	--	194.3	194.3	194.3	23,727	27,057	10,976
August	2,739	--	204.0	204.7	194.7	194.9	194.9	24,061	27,550	11,983
September		--	--	--	196.9	197.3	197.3	23,853	26,931	10,738
October		202.6	203.2	--	197.2	197.8	197.8	24,178	26,545	12,525
November	2,710	--	--	--	197.5	198.1	198.1	24,790	27,695	13,094
December		200.4	200.8	--	197.0	197.1	197.1	24,390	26,956	14,349
1979										
January		--	--	--	199.7	199.6	199.6	24,955	27,782	13,853
February	3,191	204.2	203.9	--	202.3	201.9	201.9	25,563	27,761	12,653
March		--	--	--	204.4	203.8	203.8	25,917	27,011	10,343
April		209.3	208.8	--	208.8	207.8	207.8	25,836	29,474	11,624
May	2,255	--	--	--	212.4	211.0	211.0	26,618	29,038	14,024
June		213.7	212.5	--	214.5	212.9	212.9	26,786	28,141	14,348
July		--	--	--	216.8	214.7	214.7	27,380	28,715	12,896
August	3,586	218.6	218.3	--	219.6	217.5	217.5	27,864	29,326	12,469
September		--	--	--	223.0	220.7	220.7	27,517	28,360	12,585
October		220.8	221.5	--	224.0	221.8	221.8	28,191	28,613	12,047
November	3,196	--	--	--	225.8	224.2	224.2	27,628	29,341	12,642
December		229.0	230.2	--	229.9	228.0	228.0	28,396 r/	29,951 r/	13,411
1980										
January		--	--	--	235.0	232.6	232.6	28,763	30,657	13,114
February	3,759	240.0	240.7	--	240.0	237.6	237.6	29,315	29,968	13,545
March		--	--	--	243.9	241.3	241.3	29,691	29,037	12,131
April		242.8	243.5	--	247.8	244.6	244.6	28,967	30,181	12,012
May	3,115	--	--	--	252.6	249.1	249.1	29,091	29,577	10,222
June		247.7	248.0	--	253.4	250.1	250.1			9,527
July		--	--	--	251.5	248.7	248.7			
August		251.4	251.0	--	250.1	247.3	247.3			
September		--	--	--	252.0	249.6	249.6			

a/Quarterly data, annual basis.

b/Quarterly data.

c/Not adjusted for seasonal variation.

r/Revised

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

<u>1961</u>		<u>1963</u>	
February 17-23	National airline strike.	June 5	Silver backing for Treasury silver certificates removed to ease pressure on silver prices. Sale of silver from Treasury stockpile started September 12.
March 9-13	California dock strike by Teamsters.	July 17	Discount rate raised from 3 percent to 3 1/2 percent.
May 5	Minimum wage legislation signed: \$1.15 for 2 years, \$1.25 thereafter.	November 5	Stock margin requirements raised from 50 percent to 70 percent.
June 16-July 4	National maritime strike. Strike resumed September 28-October 12 against owners of 1/3 West Coast merchant fleet.	November 22	President Kennedy assassinated.
August 11	Duty exemption for U.S. travelers returning from abroad cut from \$500 to \$100.	<u>1964</u>	
August 26	American Motors Corporation--UAW profit-sharing pact announced.	February 26	Federal income tax cut measure signed into law. Reflected in withholding rates effective March 5. Individual tax rates cut from 20 percent to 91 percent range to 14 percent to 70 percent range. Corporation reduction to 48 percent from 52 percent.
September 6-24	UAW-GM strike.	September 25-November 8	UAW strike against GM.
October 3-15	UAW-Ford strike.	November 23	Discount rate increased from 3 1/2 percent to 4 percent.
<u>1962</u>		December 22-24	Northern California floods.
January 1	Federal Reserve Board and Federal Deposit Insurance Corporation authorize commercial banks to raise interest rates to 3-1/2 percent on all savings and time deposits of six months or longer, and to 4 percent on deposits of one year or more.	<u>1965</u>	
March 16-April 11	West Coast maritime strike.	March 1-23	Strike by steel workers at American and Continental can companies.
May 1-June 26	Northern California construction strike. Southern California strike, June 18-27. San Diego strike, June 21-July 10.	June 16-August 7	Northern California construction strike.
May 28	"Blue Monday." Dow Jones Industrial Average down 34.95 points, sharpest drop since October 28, 1929. Week of May 21-25: average down 38.82, largest one-week decline on record.	June 17-July 19	Southern California construction strike.
July 10	Stock margin requirements cut from 70 percent to 50 percent.	August 11-17	Los Angeles riots, Watts area.
July 11	Revision of depreciation schedules announced by Treasury.	December 6	Discount rate raised from 4 percent to 4 1/2 percent.
October 18	Commercial bank reserve requirements against time deposits reduced from 5 percent to 4 percent.	December 13	Permitted interest on savings accounts raised from 4 1/2 percent to 5 1/2 percent under Regulation Q.
		<u>1966</u>	
		January 1	Increased social security taxes in effect.

CHRONOLOGY--Continued

1966--Continued

February 8 FHA interest rate raised from 5 1/4 percent to 5 1/2 percent, no change in 1/2 percent loan insurance rate.

March 11 Prime rate raised from 5 percent to 5 1/2 percent in Eastern financial markets.

March 16 Auto excise tax raised from 6 percent to 7 percent.

April 1 Telephone excise tax of 10 percent reinstated.

April 12 FHA interest rate increased from 5 1/2 percent to 5 3/4 percent.

May 1 Increased withholding tax rates in effect.

June 30 Prime rate raised from 5 1/2 percent to 5 3/4 percent in New York, Chicago.

July 8-August 20 Airline strike.

August 16 Prime rate up to 6 percent, Eastern cities.

October 3 FHA interest rate raised from 5 3/4 percent to 6 percent.

October 10 Suspension of 7 percent investment credit and accelerated depreciation allowance.

1967

January 26 Prime rate lowered from 6 percent to 5 1/2 percent.

February 1 Minimum wage increased to \$1.40 from \$1.25 per hour.

March 9 Investment tax credit and accelerated depreciation allowance reinstated.

April 7 Discount rate lowered from 4 1/2 percent to 4 percent.

April 21-July 26 Rubber strike.

July 15-March 20, 1968 Copper strike.

August 30 Steel price rises announced.

September 6-October 25 UAW strike against Ford.

November 20 Discount rate raised from 4 percent to 4 1/2 percent. Prime rate increased from 5 1/2 percent to 6 percent.

1967--Continued

December 15 Los Angeles (Herald Examiner) newspaper strike.

December 27 Increase of 1/2 percent in reserve requirements announced. Effective in two stages during January 1968.

1968

January 1 Wage base for social security contributions raised from \$6,600 to \$7,800.

January 5-February 25 San Francisco newspaper strike.

February 1 Minimum wage increased to \$1.60 from \$1.40 per hour.

March 1 Increase in social security benefit payments, averaging 13 percent.

March 15 Discount rate raised from 4 1/2 percent to 5 percent. San Francisco increase effective March 18; New York up March 22. Highest level since 1929.

March 15-April 1 Trading in London gold market suspended. Two-price system for gold effective March 18 by London gold pool countries.

April 1 Personal income tax surcharge. See June 28.

April 1-June 13 San Francisco area machinists and electrical workers strike.

April 19 Discount rate raised to 5 1/2 percent. Prime rate increased from 6 percent to 6 1/2 percent.

May 7 FHA interest rate raised from 6 percent to 6 3/4 percent.

May 16 UAW suspended from AFL-CIO.

June 8 Stock margin requirements raised from 70 percent to 80 percent.

June 28 Tax surcharge and \$6 billion Federal spending cut legislation signed by President Johnson. 10 percent surcharge retroactive to April 1 for individuals, January 1 for corporations.

July 15 Increased personal income tax withholding in effect.

August 16-29 Federal reserve discount rate lowered from 5 1/2 percent to 5 1/4 percent.

CHRONOLOGY--Continued

1968--Continued

September 25 Prime rate lowered from 6 1/2 percent to 6 percent by Chase Manhattan. (Subsequent reduction by other banks to 6 1/4 percent. Chase Manhattan rate raised to 6 1/4 percent effective November 13.)

December 2 Prime rate raised from 6 1/4 percent to 6 1/2 percent.

December 18 Federal Reserve discount rate raised from 5 1/4 percent to 5 1/2 percent. Prime rate raised from 6 1/2 percent to 6 3/4 percent.

1969

January 1 Social security contribution rate increased to combined 9.6 percent.

January 7 Prime rate raised from 6 3/4 percent to 7 percent.

January 24 FHA interest rate raised from 6 3/4 percent to 7 1/2 percent.

March 17 Prime rate raised from 7 percent to 7 1/2 percent.

April 3 Discount rate raised from 5 1/2 percent to 6 percent; reserve requirement raised.

June 9 Prime rate raised from 7 1/2 percent to 8 1/2 percent.

June 12 Required liquidity reserves of savings and loan associations lowered from 6 1/2 percent to 6 percent.

October 27-February 1970 General Electric strike.

1970

January 1 Personal income tax surcharge reduced to 5 percent. Withholding cut.

January 5 FHA interest rate raised from 7 1/2 percent to 8 1/2 percent.

January 21 Increased schedule of interest rates on time deposits and certificates of deposit in effect.

March 25 Prime rate reduced from 8 1/2 percent to 8 percent.

April 2-June 2 Teamster strike.

May 6 Stock margin requirement cut from 80 percent to 65 percent.

1970--Continued

July 1 Personal income tax surcharge removed.

September 14-November 23 UAW strike against GM.

September 22 Prime rate reduced from 8 percent to 7 1/2 percent.

November 10 Discount rate reduced from 6 percent to 5 3/4 percent.

November 12 Prime rate reduced from 7 1/2 percent to 7 1/4 percent.

November 23 Prime rate reduced from 7 1/4 percent to 7 percent.

December 1 Discount rate reduced from 5 3/4 percent to 5 1/2 percent. FHA interest rate reduced from 8 1/2 percent to 8 percent.

December 20 13-week extended duration unemployment benefits in effect.

December 22 Prime rate reduced from 7 percent to 6 3/4 percent.

1971

January 6 Prime rate reduced from 6 3/4 percent to 6 1/2 percent.

January 8 Discount rate reduced from 5 1/2 percent to 5 1/4 percent.

January 12 FHA interest rate reduced from 8 percent to 7 1/2 percent.

January 15 Prime rate reduced from 6 1/2 percent to 6 1/4 percent.

January 18 Prime rate reduced from 6 1/4 percent to 6 percent.

January 19 Discount rate reduced from 5 1/4 percent to 5 percent.

February 4 Rolls Royce bankruptcy announced.

February 9 Los Angeles earthquake.

February 12 Discount rate reduced from 5 percent to 4 3/4 percent.

February 16 Prime rate reduced from 6 percent to 5 3/4 percent.

February 23 Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

1971--Continued

March 16	Prime rate reduced from 5 3/4 percent to 5 1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to January 1, 1971. Contribution base raised to \$9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4 1/2 percent to 4 percent.
April 23	Prime rate raised from 5 1/4 percent to 5 1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6 1/2 percent to 7 1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.
June 15-21	Prime rate increased from 5 1/2 percent to 5 3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4 3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5 3/4 percent. Further reduction to 5 1/2 percent on November 4.

1971--Continued

November 11	Discount rate reduced from 5 percent to 4 3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4 3/4 percent to 4 1/2 percent. Prime rate lowered from 5 1/2 percent to 5 1/4 percent.*
	Intent to devalue U.S. dollar announced.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4 1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.
April 9-13	Consumer meat boycott.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

1973--Continued

April 23	Discount rate raised from 5 1/2 percent to 5 3/4 percent.
May 10	Discount rate raised from 5 3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6 1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6 1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7 3/4 percent; bank savings rate: 4 1/2 percent to 5 percent; savings and loan rate: 5 percent to 5 1/4 percent.
July 18	Phase IV announced.
August 27	Prime rate at 9 3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8 3/4 percent.
March 4	California minimum wage increased to \$2.00 per hour from \$1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8 3/4 percent.
March 28	Prime rate further increased to 9 1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7 1/2 percent.
April 29	Prime rate up to 10 3/4 percent.
April 30	Phase IV controls lifted in approximately 165 sectors of the economy.

1974--Continued

June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.
August 14	FHA mortgage rate raised to 9 1/2 percent. Prime rate reduced from 12 percent to 11 3/4 percent on limited basis. Prevailing rate on date of major changes: October 21.....11 1/2 percent October 28.....11 1/4 percent November 4 11 percent November 14.....10 3/4 percent November 25.....10 1/2 percent
October 8	Prime rate reduced from 12 percent to 11 3/4 percent by several more large banks.
November 12-December 9	Coal strike.
December 9	Discount rate reduced from 8 percent to 7 3/4 percent.

1975

January 6	Federal Reserve discount rate cut from 7 3/4 percent to 7 1/4 percent.
January 10	Oil Chemical Atomic Workers Union strike.
January 13	Prime rate reduced to 10 percent. Further major cuts as follows: January 21.....9 3/4 percent January 31.....9 percent February 6.....8 3/4 percent February 19.....8 1/2 percent March 3.....8 1/4 percent March 8.....8 percent
January 21	FHA mortgage rate reduced from 9 percent to 8 1/2 percent.

CHRONOLOGY--Continued

1975--Continued

February 5 Federal Reserve discount rate cut from 7 1/4 percent to 6 3/4 percent.

March 10 Federal Reserve discount rate cut from 6 3/4 percent to 6 1/4 percent.

March 24 Prime rate reduced to 7 1/2 percent by most major banks.

March 25 King Faisal assassinated.

March 29 Tax reduction act signed into law.

May 19 Prime rate reduced to 7 1/4 percent by several major banks.

June 10 Prime rate reduced to 7 percent by most banks.

July 18 Prime rate increased to 7 1/4 percent. Further gains as follows:
 July 25.....7 1/2 percent
 August 11.....7 3/4 percent
 September 15....8 percent

September 1 National Airlines strike.

October 16 Reserve requirement on time deposits reduced from 3 percent to 1 percent.

October 24 Prime rate reduced to 7 3/4 percent. Further reductions as follows:
 October 31.....7 1/2 percent
 November 21.....7 1/4 percent

December 5-19 United Airlines strike.

1976

January 12 Prime rate lowered to 7 percent.

January 19 Federal Reserve discount rate lowered from 6 percent to 5 1/2 percent.

January 21 Prime rate reduced to 6 3/4 percent.

April 1-3 Teamsters strike.

April 9-June 4 Prime rate moving upward, 6 3/4 percent to 7 1/4 percent at most major banks.

April 21 Rubber workers strike.

July 20-August 2 Cannery workers strike.

August 2 Prime rate reduced to 7 percent. Further reductions as follows:
 October 4.....6 3/4 percent
 October 29.....6 1/2 percent
 December 10.....6 1/4 percent

1976--Continued

September 15-October 13 Auto workers strike.

October 18 California minimum wage raised to \$2.50 per hour.

December 22 Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16 Prime rate raised to 6-1/2 percent.

May 31 Prime rate raised to 6-3/4 percent.

August 22 Prime rate raised to 7 percent.

August 30 Federal Reserve discount rate raised from 5 1/4 percent to 5-3/4 percent, the first increase since April 1974.

September 16 Prime rate raised to 7-1/4 percent.

October 1-November 24 Longshoremen's strike against East and Gulf Coast ports.

October 7 Prime rate raised to 7-1/2 percent.

October 10-January 4 IAM-Lockheed strike.

October 24 Prime rate raised from 7-1/2 percent to 7-3/4 percent.

October 26 Discount rate raised from 5-3/4 percent to 6 percent.

December 6-March 24 United Mine Workers strike.

1978

January 1 U.S. minimum wage increased to \$2.65 per hour.

January 9 Discount rate raised from 6 percent to 6 1/2 percent.

January 10 Prime rate raised to 8 percent.

February 28 FHA mortgage rate raised from 8-1/2 percent to 8 3/4 percent.

April 1 California minimum wage increased from \$2.50 to \$2.65 per hour.

April 1-May 28 United Airlines strike.

May 4 Prime rate raised from 8 percent to 8-1/4 percent.

May 8 California savings and loan associations raised mortgage rates from 9 3/4 percent to 10 percent.

May 12 Discount rate raised to 7 percent.

CHRONOLOGY--Continued

1978--Continued

May 23 Federal funds rate increased to 7-1/2 percent.
FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.

May 26 Prime rate raised from 8-1/4 percent to 8-1/2 percent.

June 6 Proposition 13 approved by California voters.

June 16 Prime rate raised to 8-3/4 percent.

June 20 OPEC announced a freeze on crude oil prices until December 16.

June 22 Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.

June 29 FHA-VA mortgage rate raised to 9-1/2 percent.

June 30 Prime rate raised to 9 percent.

July 10 Discount rate raised to 7-1/4 percent.

July 18 Teamsters union strike affecting supermarkets throughout Northern California.

August 20 Retail clerks union strike in Southern California.

August 21 Discount rate raised to 7-3/4 percent.

August 29 Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.

August 31 Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.

September 15 Prime rate raised to 9-1/2 percent.

September 22 Discount rate raised from 7-3/4 percent to 9-3/4 percent.

September 28 Prime rate raised from 9-1/2 percent to 9-3/4 percent.

October 12 Prime rate raised from 9-3/4 percent to 10 percent.

October 15 Tax cut and energy bills passed by Congress.

October 16 Discount rate raised from 8 percent to 8-1/2 percent.

October 18 Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.

1978--Continued

October 24 Prime rate raised from 10 percent to 10-1/4 percent.
California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.

October 24 Phase II announced: voluntary guidelines on wages and prices.

November 1 Discount rate raised from 8-1/2 percent to 9-1/2 percent.
Prime rate raised to 10-1/2 percent.

November 3 Prime rate raised from 10-1/2 percent to 10-3/4 percent.

November 13 Prime rate raised from 10-3/4 percent to 11 percent.

November 24 Prime rate raised to 11-1/2 percent.

November 27 Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.

December 4 Rollover for 6-month certificates of deposit (CDs) began this week.

December 19 Federal funds rate raised to 10 percent.

December 20 Prime rate raised to 11-3/4 percent.

1979

January 1 U.S. minimum wage increased to \$2.90 per hour.

January 13 Prime rate reduced to 11-1/2 percent.

March 15 Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.

March 27 OPEC price increases: 9 percent. Selected surcharges imposed.

March 31 United Airlines-machinist strike.

April 1-10 Teamsters strike.

May 7 Prime rate moved to 11-3/4 percent from 11-1/2 percent.

May 19 Federal funds rate set at 7-1/4 percent.

May 26 United Airlines strike ended.

May 30 Interest rate on conventional mortgages raised to 11-3/4 percent.

June 12 Prime rate reduced to 11-1/2 percent.

CHRONOLOGY--Continued

1979--Continued

July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26- September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31- November 21	BART strike.
September 4	Federal funds rate raised from 11-1/4 percent to 11-3/8 percent.
September 12	Prime rate raised from 12-3/4 percent to 13 percent.
September 18	Discount rate raised from 10-1/2 percent to 11 percent.
September 19	Federal funds rate raised from 11-3/8 percent to 11-1/2 percent.
September 28	Prime rate raised from 13-1/4 percent to 13-1/2 percent.
October 6	Discount raised to 12 percent and selective credit tightening policies were implemented by the Federal Reserve.
October 9	Prime rate raised from 13-1/2 percent to 14-1/2 percent.
October 23	Prime rate raised to 15 percent.
November 7	Prime rate raised to 15-1/2 percent.
November 16	Prime rate raised to 15-3/4 percent.
November 26	Prime rate lowered from 15 percent.
November 27	Prime rate lowered to 15-1/4 percent.

1980

February 11	Ceilings on FHA and VA home loans raised to 12 percent.
February 18	Discount rate raised from 12 percent to 13 percent.
February 19	Prime rate raised from 15-1/4 percent to 15-3/4 percent.
February 22	Prime rate raised to 16-1/4 percent.

1980--Continued

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.
March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.
March 14	Announcement of tighter fiscal policies.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.
July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.
July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.

CHRONOLOGY--Continued

1980--Continued

September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California mortgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent.
November 21	Prime raised to 17 percent.

SOURCES OF STATISTICAL SERIES

<i>Employment Development Department Employment Data and Research</i>	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker man-hours
<i>Department of Industrial Relations Division of Labor Statistics and Research</i>	California consumer price index
<i>Department of Finance</i>	Personal income Wages and salaries Index of leading indicators
<i>Department of Motor Vehicles</i>	New auto registrations
<i>State Board of Equalization</i>	Taxable sales
<i>Security Pacific National Bank</i>	Housing units authorized Valuation of nonresidential construction
<i>U.S. Department of Commerce</i>	Retail sales
<i>U.S. Bureau of Labor Statistics</i>	Consumer price indices
<i>U.S. Department of Defense</i>	Prime defense contracts
<i>Federal Power Commission</i>	Electricity production
<i>California Redwood Association</i>	Lumber production
<i>Conservation Committee of California Oil Producers</i>	Petroleum production
<i>American Iron and Steel Institute</i>	Steel production
<i>U.S. Bureau of Mines</i>	Cement production
<i>Dun and Bradstreet</i>	Business failures and liabilities
<i>California Secretary of State</i>	New business incorporations
<i>Federal Reserve Bank of San Francisco</i>	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

<u>Initial trough</u>	<u>Peak</u>	<u>Terminal trough</u>	<u>Expansion (months)</u>	<u>Contraction (months)</u>	<u>Total (months)</u>
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	36
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52